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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, GUATEMALA

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DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

Action Assigned to [illegible] March 19, 1954
DATE

REF :

Action Taken
MAR 20

For Dept. Use Only	ACTION	DEPY.
	OPI-10	INFO DC/R-2 ARA-2 SA-8 UNA-2
	RE'D 3/22	OTHER ARMY-35 NAVY-39 AIR-24 CIA-13 OSD-2

SUBJECT: Weeka No. 11 for State, Army and Air Departments, from S. OCB-1

SUMMARY

The adoption of the U.S.-sponsored anti-Communist resolution at the Caracas Conference this week had relatively little impact on Guatemala. In the anti-Communist camp the conservative El Imparcial, most widely read of the newspapers, did not comment at all; the middle-of-the-road El Espectador generally approved of the resolution; and the nationalistic, liberal Prensa Libre thought the resolution unsatisfactory because it left the interventionist issue open and failed to condemn Fascism. In private conversations, anti-Communist Guatemalans were mildly gratified at the size of the vote and the demonstration of Hemisphere-wide interest in the problem but saw in it no hope of a rapid solution to the Guatemalan Communist problem. The Communist and leftist newspapers supporting the Arbenz Administration saw the adoption of the resolution as a pyrrhic victory for the U. S., claiming it was unenforceable.

The domestic scene was relatively quiet. Colonel Carlos Enrique DIAZ, Chief of the Armed Forces, endorsed the Government's policies in taking his annual oath of office before Congress, and there was speculation whether he was eyeing the Presidency in 1957. The Communist-front committee which is organizing the Central American and Caribbean "Youth Festival" here next October tried to inveigle anti-Communist international youth and labor organizations into participating to give the Festival a "non-political" veneer. Concha ESTEVEZ, a leader of the anti-Communist market women's organization, was jailed for ordering an anti-government handbill to be printed.

FOREIGN AFFAIRS

Anti-Communist Resolution at Caracas Taken Calmly: The approval of the U.S. anti-Communist resolution at the Caracas Conference by a vote of seventeen in favor, two abstentions, and only Guatemala opposed was reported factually in the press over the past week-end and subsequent editorials indicated that no particular segment of

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Guatemalan opinion had been greatly impressed. The anti-Communist, liberal Prensa Libre commented that mere approval of the resolution was "far from satisfactory" for the U.S. since distrust of the U.S. on the intervention issue had not been dissipated. It also complained that the resolution did not apply to Fascism. The conservative, pro-U.S. El Imparcial, largest newspaper in the country, made no direct comment whatever on the anti-Communist resolution although it gave it full coverage in the news columns. El Espectador's editorial was favorable to the resolution.

The Communist and leftist papers supporting the Arbens regime quickly shifted to the line that the U.S. had won a pyrrhic victory and that the anti-Communist resolution would not have any effect. The Communist Tribuna Popular played up the Argentine and Mexican abstentions and the Communist-line Diario del Pueblo claimed that immediately afterwards Secretary Dulles had "fled" from a showdown with Latin America on economic issues. The government-subsidized Nuestro Diario asserted that governments which had expressed reservations "are not bound by such agreements, nor can collective intervention be applied without destroying juridical structure of the Organization of American States and of the United Nations."

Private comment heard by the Embassy, wholly from anti-Communist sources, indicated mild gratification at the size of the vote but considerable puzzlement as to what effect it would have on the Guatemalan situation. Several persons close to the anti-government movement dropped in at the Embassy and asked what comes next. Most anti-government contacts seemed to think that Foreign Minister Toriello had made a fool of himself at Caracas but that the resolution was vague in its application to the Guatemalan situation. None imagined that the Guatemalan government would be influenced into action against the Communists by it.

DOMESTIC AND MILITARY AFFAIRS

Chief of Armed Forces Shows Possible Presidential Aspirations: In a speech after taking the official oath of allegiance before Congress on March 13, Colonel Carlos Enrique Diaz, Chief of the Armed Forces, spoke more as a candidate to succeed Colonel ARBENZ in the Presidency in 1957 than as a soldier. He gave assurances that the "Army is and will be with a Government which, as in the case of that presided over by our illustrious comrade in arms, Colonel Jacobo Arbenz, permits the free play of all the liberties and rights that are guaranteed by the Constitution." This has become the customary way here of saying that the Communists will not be molested. In addition, Colonel Diaz went out of his way to speak favorably of the government's domestic and foreign policies.

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An independent source has also reported that Colonel Diaz has lately been visiting Army installations more than he usually does with the apparent purpose of building up a personal following. With the elections over two and a half years away, however, it is premature to estimate the fate of any presidential aspirations the Chief of the Armed Forces may have.

Communist Youth Organizations Attempt to Lure Anti-Communists to Youth Festival: The Communist-controlled Organizing Committee for the "Festival of Youth of Central America and the Caribbean," which is scheduled to take place in Guatemala next October, has stepped up its campaign to lure non-Communist and anti-Communist organizations into participating in the Festival. It has invited fourteen international organizations to attend a preparatory meeting here on March 30-31, among them the Argentine-controlled ATLAS labor international; the International Confederation of Free Trade Unions (ICFTU); the "Pax Romana," Roman Catholic youth organization, and the Inter-American Regional Labor Organization (ORIT). The usual international Communist-front organizations, such as the WFTU, the WFDY, and the CTAL, were, of course, also invited.

Anti-Communist Market Women's Leader Imprisoned: A Guatemala City court on March 15 remanded Sra. Concepción "Concha" Estévez, an outspoken anti-Communist market women's leader, to jail on the police complaint that she had ordered printing of a manifesto of Colonel Carlos CASTILLO Armas, the exiled Guatemalan anti-Communist leader. The Court acted under a law stipulating one year's imprisonment of those fomenting seditious propaganda or apologizing for those tried for serious crimes.

FOR THE AMBASSADOR:

William L. Krieg
Counselor of Embassy

cc: C.A. Missions and Routine
USDEL, Caracas

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